

Message Text

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PAGE 01 LAHORE 00910 160708Z

ACTION NEA-10

INFO OCT-01 ISO-00 AGRE-00 CEA-01 CIAE-00 COME-00

DODE-00 EB-08 FRB-01 H-02 INR-07 INT-05 L-03

LAB-04 NSAE-00 NSC-05 PA-02 AID-05 SS-15 STR-04

ITC-01 TRSE-00 USIA-15 PRS-01 SP-02 OMB-01 FEA-01

AF-10 JUSE-00 /104 W

-----048416 160711Z /17

R 160605Z AUG 77

FM AMCONSUL LAHORE

TO SECSTATE WASHDC 1365

INFO AMEMBASSY ISLAMABAD

UNCLAS LAHORE 0910

DEPARTMENT FOR NEA/PAB:MULLIGAN

E.O. 11652: N/A

TAGS: ETRD, PK, US

SUBJ: APPLICATION OF PAKISTANI BOYCOTT RULE TO US EXPORTS

1. JAMES RICHARDS CALLED AT CONGEN AUGUST 15 ASKING FOR HELP IN CONNECTION WITH SHIPMENT OF CHEMICALS ORDERED FROM UNIROYAL CHEMICALS, NAUGATUCK, CONNECTICUT WHICH APPEARS TO BE HAVING PROBLEMS COMPLYING WITH PAKISTANI BOYCOTT REGULATIONS.

2. RICHARDS, WHO IS KNOWN TO CONGEN, IS PRINCIPAL STAFF OFFICER OF FECTO GROUP OF COMPANIES ONE OF WHICH, PAKISTAN AGRO-FORESTRY CORP. LTD., PROVIDES AGRICULTURAL SERVICES TO FARMERS. PAFC HOLDS FRANCHISES FOR SEVERAL US MANUFACTURERS, INCLUDING UNIROYAL.

3. EARLIER THIS YEAR PAFC CONCLUDED A DOLS418,572 CONTRACT WITH UNIROYAL FOR SHIPMENT TO PAKISTAN OF AN AGRICULTURAL CHEMICAL, VITAVAX. ON JULY 10 A PART LETTER OF CREDIT FOR DOLS239,115 WAS ESTABLISHED (RECEIPT CONFIRMED BY UNIROYAL ON JULY 17) FOR PART OF THE VITAVAX ORDER, TO BE SHIPPED BY AUGUST 15.
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THE LETTER OF CREDIT CARRIED THE NOTATION QUOTE SHIPMENT OR TRANS-SHIPMENT ON ISRAELI/RHODESIAN/SOUTH AFRICAN FLAG VESSELS PROHIBITED. BENEFICIARIES CERTIFICATE REQUIRED IN DUPLICATE THAT THIS CONDITION HAS BEEN FULFILLED. END QUOTE. ON AUGUST 6, UNIROYAL INFORMED RICHARDS THAT COMPANY POLICY PREVENTED UNIROYAL FROM ACCEPTING THIS BOYCOTT UNDERTAKING.

4. RICHARDS CLAIMS THAT UNIROYAL HAD HAD NO DIFFICULTY IN ACCEPTING SIMILAR RESTRICTIONS IN THE PAST (WHICH, HOWEVER, HAD THEN BEEN APPLIED ONLY AGAINST ISRAELI FLAG VESSELS). HE SAID THAT UNDER NORMAL CIRCUMSTANCES HE MIGHT BE ABLE TO WORK OUT SOME COMPROMISE WITH PAKISTANI OFFICIALS BEFORE LETTER OF CREDIT ESTABLISHED. HOWEVER, IT IS FAR MORE DIFFICULT GETTING A BOYCOTT RESTRICTION REMOVED FROM A LETTER OF CREDIT THAN AVOIDING HAVING ONE INSERTED. ALSO, HE SAYS, STATE BANK OFFICIALS QUESTION WHY UNIROYAL WAITED UNTIL AUGUST 6 TO ANNOUNCE WHAT AMOUNTS TO CHANGE IN POLICY, PARTICULARLY AFTER HAVING ACCEPTED LETTER OF CREDIT WITHOUT QUESTION ON JULY 17. RICHARDS ADMITS THAT LETTER OF CREDIT CAN BE CANCELLED BUT THAT THIS WOULD INVOLVE TWO PERCENT FINE WHICH HE DOUBTS UNIROYAL WOULD BE WILLING TO PAY.

5. RICHARDS HAS BEEN IN CONTACT WITH UNIROYAL BY TELEGRAM AND PHONE BUT HAS RECEIVED NO CLEAR INDICATION OF COMPANY'S INTENTION. HIS MAIN CONCERN IS THAT UNIROYAL'S NEW POLICY AND THE WAY IT IS APPLYING IT MAY LEAD TO LOSS OF ACCOUNT, PERHAPS TO NON-US SUPPLIERS. THIS TYPE OF CHEMICAL IS MUCH IN DEMAND IN PAKISTAN AND IF UNIROYAL CANNOT SUPPLY IT, PAK IMPORTERS WILL TURN ELSEWHERE. (HE ADDED THAT PAKISTANI MINISTRY OF AGRICULTURE IS IMPORTING DIRECTLY FROM ROHM AND HAAS AND CYANIMIDE IN UNCLASSIFIED

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US WHO HAVE NO PROBLEMS WITH BOYCOTT RESTRICTION.)

6. WOULD APPRECIATE YOUR CHECKING THIS OUT WITH UNIROYAL (MR. KEN SULEWSKI, TELE 203-962-460 AT NAUGATUCK, CONNECTICUT) WITH A VIEW TO IDENTIFYING THE PROBLEM.
GAMON

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Message Attributes

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Control Number: n/a
Copy: SINGLE
Sent Date: 16-Aug-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
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Expiration:
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Handling Restrictions: n/a
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Litigation History:
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